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December 29, 1999

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

RECORDATION NO.

22688
FILED

DEC 29 '99

3-22 PM

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Security Agreement - Chattel Mortgage, dated as of December 29, 1999, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Debtor: ACF Industries, Incorporated
620 North Second Street
St. Charles, MO 63301

Secured Party: The Industrial Bank of Japan, Limited,
New York Branch
1251 Avenue of the Americas
New York, NY 10020

A description of the railroad equipment covered by the enclosed document is:

two hundred forty-six (246) railcars bearing SHPX reporting marks and road numbers attached hereto.

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Mr. Vernon A. Williams
December 29, 1999
Page 2

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alvord', with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/bg
Enclosures

12/23/99 11:20 AM

Rptg Mark	Car Number	AAR Desg	Rptg Mark	Car Number	AAR Desg	Rptg Mark	Car Number	AAR Desg
SHPX	202143	T105	SHPX	202218	T105	SHPX	202268	T105
SHPX	202145	T105	SHPX	202219	T105	SHPX	202269	T105
SHPX	202152	T105	SHPX	202220	T105	SHPX	202271	T105
SHPX	202164	T105	SHPX	202221	T105	SHPX	202272	T105
SHPX	202170	T105	SHPX	202222	T105	SHPX	202273	T105
SHPX	202171	T105	SHPX	202223	T105	SHPX	202274	T105
SHPX	202173	T105	SHPX	202224	T105	SHPX	202275	T105
SHPX	202174	T105	SHPX	202225	T105	SHPX	202276	T105
SHPX	202175	T105	SHPX	202226	T105	SHPX	202277	T105
SHPX	202176	T105	SHPX	202227	T105	SHPX	202278	T105
SHPX	202177	T105	SHPX	202228	T105	SHPX	202279	T105
SHPX	202178	T105	SHPX	202229	T105	SHPX	202280	T105
SHPX	202179	T105	SHPX	202230	T105	SHPX	202281	T105
SHPX	202180	T105	SHPX	202231	T105	SHPX	202282	T105
SHPX	202181	T105	SHPX	202232	T105	SHPX	202283	T105
SHPX	202183	T105	SHPX	202233	T105	SHPX	202284	T105
SHPX	202184	T105	SHPX	202234	T105	SHPX	202285	T105
SHPX	202185	T105	SHPX	202235	T105	SHPX	202286	T105
SHPX	202186	T105	SHPX	202236	T105	SHPX	202287	T105
SHPX	202187	T105	SHPX	202237	T105	SHPX	202288	T105
SHPX	202188	T105	SHPX	202238	T105	SHPX	202289	T105
SHPX	202189	T105	SHPX	202239	T105	SHPX	202290	T105
SHPX	202190	T105	SHPX	202240	T105	SHPX	202291	T105
SHPX	202191	T105	SHPX	202241	T105	SHPX	202292	T105
SHPX	202192	T105	SHPX	202242	T105	SHPX	202293	T105
SHPX	202193	T105	SHPX	202243	T105	SHPX	202294	T105
SHPX	202194	T105	SHPX	202244	T105	SHPX	202295	T105
SHPX	202195	T105	SHPX	202245	T105	SHPX	202296	T105
SHPX	202196	T105	SHPX	202246	T105	SHPX	202297	T105
SHPX	202197	T105	SHPX	202247	T105	SHPX	202298	T105
SHPX	202198	T105	SHPX	202248	T105	SHPX	202299	T105
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SHPX	202204	T105	SHPX	202254	T105	SHPX	202305	T105
SHPX	202205	T105	SHPX	202255	T105	SHPX	202306	T105
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SHPX	202207	T105	SHPX	202257	T105	SHPX	202308	T105
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SHPX	202209	T105	SHPX	202259	T105	SHPX	202310	T105
SHPX	202210	T105	SHPX	202260	T105	SHPX	202311	T105
SHPX	202211	T105	SHPX	202261	T105	SHPX	202313	T105
SHPX	202212	T105	SHPX	202262	T105	SHPX	202314	T105
SHPX	202213	T105	SHPX	202263	T105	SHPX	202315	T105
SHPX	202214	T105	SHPX	202264	T105	SHPX	202318	T105
SHPX	202215	T105	SHPX	202265	T105	SHPX	202319	T105
SHPX	202216	T105	SHPX	202266	T105	SHPX	202322	T105
SHPX	202217	T105	SHPX	202267	T105	SHPX	202323	T105

Rptg Mark	Car Number	AAR Desg	Rptg Mark	Car Number	AAR Desg	Rptg Mark	Car Number	AAR Desg
SHPX	202324	T105	SHPX	454204	C214			
SHPX	202325	T105	SHPX	454205	C214			
SHPX	202326	T105	SHPX	454206	C214			
SHPX	202329	T105	SHPX	454207	C214			
SHPX	202419	T108	SHPX	454210	C214			
SHPX	202421	T108	SHPX	454215	C214			
SHPX	202436	T108	SHPX	454216	C714			
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SHPX	202445	T108	SHPX	454218	C714			
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SHPX	202451	T108	SHPX	454220	C714			
SHPX	202453	T108	SHPX	454221	C714			
SHPX	202454	T108	SHPX	454222	C714			
SHPX	202455	T108	SHPX	454223	C714			
SHPX	202456	T108	SHPX	454224	C714			
SHPX	202457	T108	SHPX	454225	C714			
SHPX	202459	T108	SHPX	454226	C714			
SHPX	202460	T108	SHPX	454227	C714			
SHPX	202461	T108	SHPX	454228	C714			
SHPX	202462	T108	SHPX	454229	C714			
SHPX	202463	T108	SHPX	454230	C714			
SHPX	202466	T108	SHPX	454231	C714			
SHPX	202467	T108	SHPX	454232	C714			
SHPX	202468	T108	SHPX	454233	C714			
SHPX	202550	T104	SHPX	454234	C714			
SHPX	202551	T104	SHPX	454235	C714			
SHPX	202552	T104	SHPX	454236	C714			
SHPX	202553	T104	SHPX	454237	C714			
SHPX	220747	T375	SHPX	454238	C714			
SHPX	220748	T375	SHPX	454239	C714			
SHPX	220749	T375	SHPX	454240	C714			
SHPX	220750	T375	SHPX	454241	C714			
SHPX	220751	T375	SHPX	454242	C714			
SHPX	220752	T375	SHPX	454243	C714			
SHPX	220753	T375	SHPX	454244	C714			
SHPX	220754	T375	SHPX	454245	C714			
SHPX	220755	T375	SHPX	454246	C714			
SHPX	220756	T375	SHPX	454247	C714			
SHPX	220770	T904	SHPX	454248	C714			
SHPX	220771	T904	SHPX	454249	C714			
SHPX	220772	T904	SHPX	454250	C714			
SHPX	220773	T904	SHPX	454251	C714			
SHPX	220774	T904	SHPX	454252	C714			
SHPX	220775	T904	SHPX	454253	C714			
SHPX	220776	T904	SHPX	454254	C714			
SHPX	454196	C214	SHPX	454255	C714			
SHPX	454198	C214						
SHPX	454199	C214						
SHPX	454200	C214						
SHPX	454201	C214						
				246	Cars			

RECORDATION NO.

22688

FILED

EXECUTION COPY

DEC 29 '99

3-22 PM

SECURITY AGREEMENT - CHATTEL MORTGAGE

BETWEEN

ACF INDUSTRIES, INCORPORATED,

DEBTOR

AND

THE INDUSTRIAL BANK OF JAPAN, LIMITED, NEW YORK BRANCH

SECURED PARTY

Dated as of December 29, 1999

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SCHEDULE A SCHEDULE OF EQUIPMENT

SECURITY AGREEMENT - CHATTEL MORTGAGE

SECURITY AGREEMENT - CHATTEL MORTGAGE dated as of December 29, 1999 (the "Security Agreement") between ACF INDUSTRIES, INCORPORATED, a New Jersey corporation (the "Debtor"), and THE INDUSTRIAL BANK OF JAPAN, LIMITED, a Japan corporation acting through its New York Branch (the "Secured Party").

RECITALS

A. Pursuant to Section 2.01 of the Loan Agreement (as hereinafter defined) and subject to the conditions therein set forth, the Secured Party has agreed to make a loan to the Debtor in the aggregate principal amount of Thirty Million Dollars (\$30,000,00.00) (the "Secured Loan") evidenced by a secured promissory note executed by the Debtor in favor of the Secured Party or its registered assigns.

B. The principal of and interest on the Secured Loan and all additional amounts and other sums at any time due and owing from or required to be paid by the Debtor under the terms of the Loan Agreement, the Note, this Security Agreement and the other Loan Documents are hereinafter sometimes referred to as "indebtedness hereby secured."

Section 1. DEFINITIONS

1.01 Terms defined in the preamble hereof shall have their respective meanings when used herein and as used herein, the following terms shall have the meanings herein specified unless the context otherwise requires. Capitalized terms used but not defined here shall have the meanings assigned to them in the Loan Agreement. Defined terms in this Security Agreement shall include in the singular number the plural and in the plural number the singular.

"AAR" shall mean the Association of American Railroads.

"Cash Collateral Account" shall have the meaning specified in Section 5.02(b) hereof.

"Casualty Loss" with respect to any Item of Equipment shall occur if, such Item of Equipment is destroyed, lost, stolen, irreparably damaged, or missing for a period in excess of thirty (30) days, taken by any governmental entity (including without limitation condemnation, confiscation, requisition, taking of title or use by any governmental entity) or otherwise becomes unusable in the business of the Debtor.

"Casualty Loss Proceeds" shall mean any insurance proceeds, lessee payments, railroad payments or other casualty recoveries received by the Debtor to the extent they relate to the Items of Equipment subject to a Casualty Loss.

"Collateral" shall have the meaning specified in Section 2 hereof.

"Environmental Claims" shall mean any investigation, notice, violation, demand, allegation, action, suit, injunction, judgment, order, consent decree, penalty, fine, Lien, proceeding or claim (whether administrative, judicial or private in nature) arising (a) pursuant to, or in connection with an actual or alleged violation of, any Environmental Law, (b) in connection with any Hazardous Substance, (c) from any abatement, removal, remedial, corrective or other response action in connection with a Hazardous Substance, Environmental Law or other order of a governmental authority, or (d) from any actual or alleged damage, injury, threat or harm to health, safety, natural resources or the environment, in each such case, to the extent the same have, or could reasonably be expected to have, the effect, individually or in the aggregate, of (i) impairing the Debtor's ability to perform its obligations contemplated under this Security Agreement or the Loan Documents, (ii) impairing the present or residual value, utility or remaining useful life of any Item of Equipment, or Debtor's right, title or interest therein, or (iii) subjecting the Secured Party to any risk of incurring a material liability arising under any Environmental Law.

"Environmental Contamination" shall mean and include the uncontained presence, leak, discharge, emission, release, threatened release, suspected release, or abandonment of Hazardous Substances upon, or about the Equipment, or arising from the Equipment, in each such case, to the extent the same result in an Environmental Claim.

"Environmental Laws" shall mean any present or future federal, state or local law, statute, ordinances or regulation and all judicial, administrative and regulatory decrees, claims, notices, liens, judgments and orders, pertaining to (a) protection of health, safety and the indoor or outdoor environment, (b) the conservation, management, or use of natural resources and wildlife, (c) the protection or use of surface water or groundwater, (d) the manufacture, management, possession, use, presence, generation, transportation, treatment, storage, disposal, release, threatened release, abatement, removal, remediation or handling of, or exposure to, any Hazardous Substance, or (e) pollution (including, as released to air, land, surface water and groundwater) including, but not limited to, the applicable common law of any jurisdiction, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., as amended ("CERCLA"), the Hazardous Material Transportation Act, 49 U.S.C. App. § 1801 et seq., as amended, the Resource Conservation Recovery Act of 1976 and the Hazardous and Solid Waste Amendments, 42 U.S.C. § 6901 et seq. (RCRA), the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., as amended, the Clean Air Act, 42 U.S.C. § 7401 et seq., as amended, the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., as amended, the Safe Drinking Water Act, 42 U.S.C. § 300F et seq., as

amended, the Emergency Planning Community Right-To-Know Act, 42 U.S.C. § 11001 et seq., and any similar implementing or successor law.

"Equipment" shall have the meaning specified in Section 2.02 hereof.

"Equipment Leases" shall have the meaning specified in Section 2.03 hereof.

"Equipment Lessees" shall mean the lessees, as lessees under the Equipment Leases.

"Equipment Lease Proceeds" shall have the meaning specified in Section 2.03 hereof.

"Hazardous Substances" shall mean any substance, chemical compound, product, solid, gas, liquid, waste, byproduct, pollutant, contamination or material which is hazardous or toxic and includes, without limitation, hazardous substances as defined in CERCLA; oil of any kind, petroleum products and their by-products, including sludge or residue; asbestos-containing materials; polychlorinated biphenyls or material or equipment containing such substances; lead or lead containing materials; any and all other hazardous or toxic substances; hazardous waste, as defined in RCRA; used tires; those substances listed in the United States Department of Transportation Table (49 C.F.R. 172.101); explosives; radioactive materials; and all other pollutants, contaminants and other substances regulated or controlled by the Environmental Laws and any other substance that requires special handling in its collection, storage, treatment or disposal under the Environmental Laws.

"ITA" shall mean the ICC Termination Act of 1995, as amended, and the regulations and rulings promulgated thereunder.

"Items of Equipment" shall have the meaning specified in Section 2.02 hereof.

"Lease Administration Agreement" shall mean that certain Lease Administration Agreement dated as of May 20, 1993 among ACF Lease Administrators, Inc., the Tranche II Owners party thereto and Mercantile Bank, N.A.

"Lien" shall have the meaning specified in Section 3.03 hereof.

"Loan Agreement" means the Term Loan Agreement of even date herewith by and between the Debtor and the Secured Party, as the same may be amended, supplemented or otherwise modified from time to time.

"Permitted Lien" shall have the meaning specified in Section 3.03 hereof.

"Secured Loan" shall have the meaning specified in the first recital hereof.

"Security Agreement" shall mean this Security Agreement as specified in the first paragraph hereof, as the same may be amended, supplemented or otherwise modified from time to time.

Section 2. SECURITY

2.01 Grant of Security. The Debtor, in consideration of the premises and of the sum of Ten Dollars received by the Debtor from the Secured Party and other good and valuable consideration, receipt and sufficiency whereof is hereby acknowledged, and in order to secure the due payment of the principal of and interest on the Note according to its tenor and effect, and to secure the payment of the Make Whole Amount and all other indebtedness and liabilities of the Debtor to the Secured Party and the performance and observance by the Debtor, the Pledgor and the Guarantor of all their obligations contained in or arising out of the Loan Agreement, this Security Agreement, the Note and the other Loan Documents (sometimes referred to herein collectively as the "Obligations"), does hereby assign, mortgage, pledge, hypothecate, transfer and set over to the Secured Party and grant the Secured Party a first priority lien on and security interest in all of the Debtor's right, title and interest in and to the properties, rights, interests and privileges described in Sections 2.02, 2.03, 2.04 and 2.05 hereof, together with any proceeds thereof (all of which properties are hereinafter collectively referred to as the "Collateral").

2.02 Equipment Collateral. The Collateral includes certain railroad tank cars and covered hopper cars which cars are more fully described in Schedule A hereto together with all accessories, equipment, parts and appurtenances appertaining or attached to such Equipment, whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to or proceeds of any and all of said Equipment, together with all the records, rents, mileage credits earned, issues, income, profits, avails and other proceeds (including insurance proceeds) therefrom (collectively, the "Equipment" or "Items of Equipment" and individually, an "Item of Equipment").

2.03 Rental Collateral.

(a) The Collateral also includes, all right, title, interest, claims and demands of the Debtor in, to and under each and every lease (whether or not such lease is in writing or is for a term certain, including, without limitation, per diem leases) now or hereafter entered into relating to the Equipment but to and only to the extent relating to the Equipment (each such portion of such lease being an "Equipment Lease") including, but not limited to, the Equipment Leases more fully described in Schedule A to the Loan Agreement, or hereafter described on one or more schedules to any supplement thereto, including any extensions of the term of every Equipment Lease, all of Debtor's rights under any Equipment Lease to make determinations, to exercise any election (including,

but not limited to, election of remedies) or option or to give or receive any notice, consent, waiver or approval together with full power and authority with respect to any Equipment Lease to demand, receive, enforce, collect or give receipt for any of the foregoing rights or any property which is the subject of any of the Equipment Leases, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action which (in the opinion of the Secured Party) may be necessary or advisable in connection with any of the foregoing insofar, but only insofar, as such rights relate to the Equipment which is subject to such Equipment Leases, all records related to the Equipment Leases and all payments due and to become due under any Equipment Lease, whether as contractual obligations, damages, casualty payments, insurance proceeds or otherwise to the extent such payments are derived from the Equipment, including any mileage credits associated therewith (the "Equipment Lease Proceeds")

(b) It is expressly agreed that anything herein contained to the contrary notwithstanding, the Debtor shall remain liable under the Equipment Leases to perform all of the obligations assumed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof, and neither the Secured Party nor the Transferees shall have any obligation or liability under the Equipment Leases by reason of or arising out of the assignment hereunder, nor shall the Secured Party nor the Transferees be required or obligated in any manner to perform or fulfill any obligations of the Debtor under or pursuant to the Equipment Leases or, to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim, or take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(c) Except as otherwise provided in Section 5.02, the Secured Party shall be entitled to collect and receive the Equipment Lease Proceeds only upon the occurrence of and during the continuance of an Event of Default.

2.04 Cash Collateral Account. Collateral also includes the Cash Collateral Account, all amounts from time to time on deposit therein and all proceeds thereof.

2.05 ACF Acceptance IV Note. Collateral also includes all right, title, interest, claims and demands of the Debtor in, to and under the ACF Acceptance IV Note, including, all of Debtor's rights thereunder to make determinations, to exercise any election (including, but not limited to, election of remedies) or to give or receive any notice, consent, waiver or approval together with full power and authority with respect thereto to demand, receive, enforce, collect or give receipt for any of the foregoing rights, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action which (in the opinion of the Secured Party) may be necessary or advisable in connection with any of the foregoing and all payments of principal or interest or other amounts due and to become due thereunder.

Section 3. COVENANTS AND WARRANTIES OF DEBTOR

The Debtor covenants, warrants and agrees with Secured Party that until the Obligations are paid in full that:

3.01 Maintenance of Equipment. The Debtor shall maintain and keep, or cause to be maintained and kept, at its or the Equipment Lessees' own cost and expense, each Item of Equipment in good order and repair in compliance with all AAR mechanical regulations and industrial commercial acceptance standards for revenue interchange loading and other applicable laws, rules or regulations, unless and until it becomes worn out, unsuitable for use, lost or destroyed.

3.02 Insurance.

(a) The Debtor shall maintain, or cause to be maintained at its own expense, with responsible insurance companies acceptable to the Secured Party, property, liability and other insurance, on such of its properties, in such amounts, against such risks and in such form as is customarily maintained by similar businesses, and, in any event, with respect to liability insurance, in an amount not less than One Hundred Million Dollars (\$100,000,000), which insurance shall at all times include coverage for all liabilities covered under, and shall not include, any exclusions other than those set forth in the Debtor's policies of insurance as in effect on the Closing Date.

(b) For purposes of this Section 3.02, liability insurance may include a program of self-insurance for up to Five Million Dollars (\$5,000,000) of liability exposure; provided that under any such program of self-insurance the Debtor shall maintain, or cause to be maintained, adequate reserves on its books in accordance with GAAP, if applicable, to cover all risks not otherwise insured by an insurance company, and the Debtor shall, within thirty (30) days after the end of each of its fiscal quarters, deliver to the Secured Party a certificate of a Responsible Officer setting forth evidence of the maintenance of such sufficient reserves as required herein and any other financial statements or records as the Secured Party may require or request with respect to such program of self-insurance.

(c) The Debtor shall cause the Secured Party to be named as an additional insured and loss payee under all policies of insurance maintained pursuant to the provisions of this Section 3.02 and shall deliver to the Secured Party (x) on the Closing Date, evidence in form and substance satisfactory to the Secured Party of such insurance policies, and (y) thereafter, thirty (30) days prior written notice before any cancellation, expiration, cessation, reduction in amount or change in coverage thereof shall become effective. The Debtor shall furnish to the Secured Party, within thirty (30) days of a material change with respect to the insurance coverage purchased by Debtor, or on its behalf, a certificate or certificates in form and substance satisfactory to the Secured Party concerning such material change and certifying also as to all efforts taken by Debtor, and on its behalf, to comply with the provisions of this Section 3.02.

3.03 Preservation of Collateral.

(a) The Debtor will warrant and defend the title to the Collateral against all claims and demands of all Persons except Persons claiming by, through or under the Secured Party, or the Transferees. The Debtor will not assign, sell, lease, transfer or otherwise dispose of, nor will the Debtor suffer or permit any of the same to occur with respect to the Collateral. The Debtor will not create, assume or suffer to exist any Lien on the Collateral other than Permitted Liens (as hereinafter defined) and the Debtor shall pay or discharge, at its own cost and expense, any and all claims, liens or charges other than Permitted Liens. As used herein, "Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind. As used herein, "Permitted Liens" shall mean:

(i) the Liens created by this Security Agreement and by the Equipment Leases;

(ii) the Liens arising from taxes, assessments or governmental charges or levies either not yet assessed or, if assessed not yet due or contested in good faith by appropriate proceedings (and for which adequate reserves have been made in the Debtor's books in accordance with GAAP consistently applied)

(iii) mechanics', materialmen's, suppliers', warehousemen's, workmen's, repairmen's, employees', or other like Liens arising by operation of law in the ordinary course of business for amounts which are either not yet due or are not yet overdue for more than 15 days or are being contested in good faith by appropriate proceedings (and for which adequate reserves have been made in the Debtor's books in accordance with GAAP consistently applied or when required in order to pursue such proceedings, an adequate bond has been obtained) so long as such proceedings do not involve any danger of sale, forfeiture or loss, of any Item of Equipment; and

(iv) Liens arising out of judgments or awards against the Debtor which are being contested in good faith by appropriate proceedings (and for the payment of which an adequate bond has been obtained) and with respect to which there shall have been secured a stay of execution pending such appeal or proceedings for review, so long as such proceedings, in the judgment of the Secured Party, do not involve any danger of sale, forfeiture or loss, of Equipment.

(b) The Debtor shall advise the Secured Party promptly, in reasonable detail, of any Lien or claim made or asserted against any of the Collateral and of any event affecting the Secured Party's security interest in the Collateral.

3.04 Further Assurances. The Debtor will, at its own expense, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and

assurances necessary for the perfection and maintenance of the perfection of the security interests in the Collateral, whether now owned or hereafter acquired, with the STB, pursuant to the UCC and ITA, and with the Registrar General of Canada pursuant to the Canada Transportation Act and as the Secured Party may consider necessary or desirable to perfect, protect, or preserve the liens and security interests created hereunder and to obtain the benefits of this Security Agreement.

3.05 Recordation and Filing.

(a) The Debtor will (x) cause this Security Agreement and any amendments or supplements hereto at all times to be executed, recorded and filed, at no expense to the Secured Party, with the STB and with the Registrar General of Canada, and all financing and continuation statements to be filed with the Secretary of State of the States of Missouri, Delaware and New York and with the County Clerks in St. Charles County, Missouri, New York County and Westchester County in the State of New York, and cause such documents and all similar notices required by applicable law to be filed in such other jurisdictions and with such other Federal, state, provincial or local government or agency thereof where the Secured Party deems it necessary or desirable to perfect, protect, or preserve its lien on the Collateral, in order to fully preserve and protect the rights of the Secured Party hereunder; and (y) at its own expense, furnish to the Secured Party promptly after the execution and delivery of any amendment or supplement to this Security Agreement, opinions of: (i) Gordon Altman Weitzen Shalov & Wein LLP, counsel to the Debtor, (ii) Alvord & Alvord, special STB counsel to the Debtor, and (iii) Aird & Berlis, special Canadian counsel to the Debtor, or such other counsel as the Secured Party may reasonably request, which opinions shall cover the matters set forth in the corresponding forms of legal opinions set forth as Exhibit B to the Loan Agreement and shall otherwise be in form and substance reasonably satisfactory to the Secured Party.

(b) The Debtor hereby authorizes the Secured Party to take all action (including, without limitation, the filing of this Security Agreement and any supplements thereto and any Uniform Commercial Code Financing Statements or amendments thereto without the signature of the Debtor) which the Secured Party may deem necessary or desirable to perfect, protect, or preserve the liens and security interests created hereunder and to obtain the benefits of this Security Agreement.

3.06 Power of Attorney.

(a) The Debtor does hereby irrevocably constitute and appoint the Secured Party and its agents, successors and assigns, upon the occurrence and during the continuance of an Event of Default, its true and lawful attorney with full power of substitution for it and in its name, place and stead, to ask, demand, collect, receive, receipt for and sue for any and all Equipment Lease Proceeds hereof with full power to settle, adjust or compromise any claim thereunder as fully as the Debtor could itself do, and to endorse the name of the Debtor on all instruments or commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any

other action or proceedings, either in its own name or in the name of the Debtor or otherwise, which the Secured Party may deem necessary or appropriate in its sole and complete discretion to perfect, protect and preserve the right, title and interest of the Secured Party in and to such Equipment Lease Proceeds and the security intended to be afforded hereby.

(b) The parties acknowledge that the powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and that anything herein contained to the contrary notwithstanding, neither the Secured Party nor its agents, successors or assigns shall have any duty, obligation or liability by reason of or arising out of this Security Agreement to make any inquiry as to the nature or sufficiency of, to present or file any claim with respect to, or to take any action to collect or enforce the payment of, any amounts to which it may be entitled at any time by virtue of this Security Agreement.

3.07 Chief Executive Office. The chief executive office of the Debtor is located at 620 North Second Street, St. Charles, Missouri 63301 and all the records related to the Equipment and to the Equipment Leases are kept in said office. The Debtor shall give the Secured Party thirty (30) days advance written notice of any change of such office address.

3.08 Acquisition of Interest in the Equipment. The Debtor has acquired its interest in the Equipment for its own account and with its general corporate assets and no funds used to acquire any Item of Equipment have been furnished directly or indirectly out of the assets of or in connection with any employee benefit plan (or its related trust) or any separate account in which any employee benefit plan has any interest. As used in this paragraph, the terms "employee benefit plan" and "separate account" shall have the respective meanings assigned to them in ERISA.

3.09 Actions Under the Equipment Leases.

(a) All the Equipment Leases are in full force and effect, have expiration dates no earlier than the Maturity Date and are in substantially the form of Exhibit D to the Loan Agreement and the Debtor shall not enter into any agreement amending or supplementing any Equipment Lease in any material respect, execute any waiver or modification of, or consent under the terms of any Equipment Lease, settle or compromise any claim against any Equipment Lessee arising under any Equipment Lease, or submit or consent to the submission of any dispute difference or other matter arising under or in respect of any Equipment Lease to arbitration thereunder, in each instance, without the prior written consent of the Secured Party.

(b) The Debtor shall comply, and use its best efforts to cause each of the Equipment Lessees to comply, in all material respects, with all acts, rules, regulations and orders of any legislative, administrative or judicial body or official applicable to the Collateral or any part thereof, or to the operation of the Debtor's business (including all

laws of the jurisdictions in which operations involving the Equipment may extend the interchange rules of the AAR and all rules of the STB and the Registrar General of Canada); provided, however, that the Debtor may contest any acts, rules, regulations, orders and directions of such bodies or officials in any reasonable manner which will not, in the sole opinion of the Secured Party materially adversely affect the Secured Party's rights or the priority of its security interest in the Collateral;

3.10 Right to Inspect the Collateral. The Debtor shall at any reasonable time, at the request of the Secured Party, cause the Collateral to be exhibited to the Secured Party (or persons designated by the Secured Party) for purposes of inspection. In the event that the Secured Party wishes to inspect the Equipment at an Equipment Lessee's facility, the Secured Party shall so notify the Debtor, whereupon the Debtor shall make all reasonable efforts to assist the Secured Party in obtaining the cooperation and consent of the relevant Equipment Lessee to the inspection of the Equipment at such Equipment Lessee's facility; provided, however that the Debtor shall have no obligation to so assist if, in the Debtor's reasonable judgment, such effort would interfere with the Debtor's business relations with such Equipment Lessee.

The Secured Party (or any person designated by the Secured Party) shall have the right (but not any obligation) to inspect the Items of Equipment and the Debtor's records with respect thereto (and the right to make extracts from and to receive from the Debtor true copies of such records relating to the Collateral other than the Equipment Leases except as otherwise provided herein) at such reasonable times as the Secured Party may request during the continuance of this Security Agreement.

3.11 Reports. Within thirty (30) days after the end of each of its fiscal quarters, beginning with the fourth fiscal quarter of the calendar year 1999, the Debtor shall furnish to the Secured Party an accurate statement (a) setting forth as at the last day of such fiscal quarter the amount, description and numbers of all Items of Equipment then covered by an Equipment Lease, the amount, description and numbers of all Items of Equipment that have suffered a Casualty Loss during the preceding calendar year or, in the case of the first such statement, since the date of this Security Agreement (specifying the dates of such Casualty Loss) or to the knowledge of the Debtor are then undergoing repairs (other than running repairs) or are then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Items of Equipment as the Secured Party may reasonably request and (b) stating that, in the case of all Items of Equipment repainted or repaired during the period covered by such statement, the numbers and the marking required by Section 3.12 hereof and the Equipment Leases have been preserved or replaced. The Debtor shall keep proper books and records with respect to the Equipment and each Equipment Lease and the other Collateral covered thereby.

3.12 Marking of Equipment.

(a) Debtor will cause each Item of Equipment to be kept numbered with the identifying number set forth in Schedule A hereto, and at the request of the Secured Party if the Secured Party determines that it is necessary in order to perfect, protect or preserve its first priority security interest in the Collateral, the Debtor shall keep and maintain plainly, distinctly, permanently and conspicuously marked on each side of each Item of Equipment, in letters not less than one inch in height, the words, "Ownership subject to a Security Agreement filed with the Surface Transportation Board and the Registrar General of Canada". The Debtor shall not change, or permit to be changed, the identifying number of any Item of the Equipment except in accordance with a statement of new identifying numbers to be substituted therefor after the Secured Party has been notified in writing and which statement shall be filed, recorded or deposited in all public offices where this Security Agreement shall have been filed, recorded or deposited. The Debtor shall forthwith furnish to the Secured Party an opinion of such counsel and in form and substance satisfactory to the Secured Party to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Secured Party's first priority Lien or security interest in such Items of Equipment and no further filing, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to perfect, protect, or preserve the security interest of the Secured Party in such Items.

(b) Except as above provided, the Debtor will not allow the name of any Person (other than the Debtor or the mark "SHPX") to be placed on the Item of Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Debtor may permit the Equipment to be lettered with the names, trademarks, initials or other insignia customarily used by the user of such Equipment or its affiliates.

3.13 Use of Equipment. The Equipment will be used by a lessee, a sublessee or user incorporated in the United States of America (or any State thereof or the District of Columbia) or Canada (or any Province thereof), only upon lines of railroad owned or operated by a railroad company or companies incorporated in the United States of America (or any State thereof or the District of Columbia) or Canada (or any Province thereof) or over lines upon which such railroad company or companies have trackage rights or rights for operation of their trains, and upon connecting with other carriers in the usual interchange of traffic in the continental United States and Canada, only upon and subject to all the terms and conditions of Equipment Leases.

3.14 Environmental Compliance.

(a) Hazardous Substances. Except in compliance with all Environmental Laws, Debtor shall not cause, permit or suffer, and Debtor shall use reasonable efforts not to allow the Equipment Lessee to cause, permit or suffer, any Hazardous Substance to be transported, kept or stored, in any, or discharged or released from, any Item of Equipment, if the same is reasonably likely to or does result in any material Environmental Contamination or material Environmental Claim.

(b) No Liens. The Debtor shall not create or suffer to exist, nor allow the Equipment Lessee to create or suffer to exist, with respect to any Item of Equipment any Lien imposed pursuant to Section 107(f) of CERCLA or any similar state statute.

(c) Environmental Action. Notwithstanding the obligation of Debtor to indemnify the Secured Party pursuant to this Security Agreement from and against any Environmental Claims and any Environmental Contamination, the Debtor agrees at its sole cost and expense to (i) give notice thereof to the Secured Party promptly with a full description thereof; (ii) to the extent required by applicable law, properly notify the appropriate governmental authorities; (iii) take all steps necessary to promptly clean up, remove, abate and remediate any and all Environmental Contamination so as to fully and finally resolve all such Environmental Claims, in accordance with all applicable Environmental Laws and any orders from the United States Environmental Protection Agency ("EPA") and any other governmental authorities as may have jurisdiction thereof; (iv) provide the Secured Party with reasonably satisfactory evidence of such compliance, which evidence shall include, if available, a certification from the EPA and such other governmental authorities as may have jurisdiction thereof that all of the Environmental Contamination has been cleaned up, and any and all related Environmental Claims have been fully and finally resolved, to the satisfaction of those agencies; and (v) provide the Secured Party with copies, promptly upon receipt or transmission thereof, of all communications regarding such Environmental Contamination or Environmental Claims received from or sent to private parties or governmental authorities that enforce or administer the Environmental Laws, subject, in each case, to the Debtor's right to contest in good faith in any reasonable manner such Environmental Claims or the existence of any Environmental Contamination to the extent that such contest will not cause an unreasonable risk of loss, forfeiture or sale of, or unreasonable risk of imposition of a Lien (other than a Permitted Lien) on any Item of Equipment or interfere with the due payment by the Debtor as provided herein of any interest or principal payable by the Debtor under the Loan Agreement or an unreasonable risk of a liability that the Secured Party reasonably believes the Debtor will not be financially able to pay.

3.15 Management Agreement. The Debtor shall ensure that each Management Agreement continues in full force and effect for the term of the Secured Loan.

Section 4. SPECIAL PROVISIONS CONCERNING LEASES

4.01 Debtor's Rights Under Equipment Leases. Until the occurrence and continuance of an Event of Default, and subject to any limitations set forth herein or in the Loan Agreement, the Debtor may exercise all of the Debtor's rights, powers, privileges and remedies under the Equipment Leases, provided however, that any monies due or to become due under the Equipment Leases shall be deposited directly into the account subject to the Lease Administration Agreement.

4.02 Equipment Lease Location and Legend. The Debtor shall deliver to the Secured Party the original of each Equipment Lease or copies of such Equipment Leases that also cover railcars owned by Persons other than the Debtor and shall mark all Equipment Leases with the following language:

The rights and interests of ACF Industries, Incorporated under this Lease and all amendments, and riders hereto relating to certain railcars listed herein, and in such railcars, have been assigned to one or more financial institutions or banks listed on the page or pages at the end of this Lease and are subject to a first priority perfected security interest in favor of such financial institutions or banks. To the extent that this Lease constitutes chattel paper, no security interest in this Lease may be created or perfected through the transfer or possession of this counterpart.

The Secured Party shall have the right from time to time to require the Debtor to mark on the page or pages at the end of the Equipment Leases describing the Equipment in which the Secured Party has interests hereunder and require the Debtor to place notations of the Secured Party's interests in the Collateral. The Secured Party shall have the right from time to time to periodically audit the lease records of the Debtor as to the status of the Equipment and Equipment Leases.

Section 5. COLLATERAL

5.01 Possession of Collateral. So long as no Event of Default has occurred and is continuing, the Debtor and each Equipment Lessee party to an Equipment Lease shall be suffered and permitted to remain in full possession, enjoyment and control of the Equipment and to manage, operate and use the Equipment and each part thereof with the rights and franchises pertaining to the Equipment; provided always that the possession, enjoyment, control and use of the Equipment shall at all times be subject to the observance and performance of this Security Agreement.

5.02 Casualty Loss; Insurance Proceeds; Cash Collateral Account.

(a) Upon the occurrence of any Casualty Loss, the Debtor shall cause all Casualty Loss Proceeds in respect thereof (whether such Casualty Loss Proceeds are paid by the Equipment Lessee, any insurer, any governmental agency or unit or otherwise) to be paid directly to the Secured Party to be held in the Cash Collateral Account with application thereof in accordance with this Security Agreement and the other Loan Documents.

(b) All such Casualty Loss Proceeds shall be deposited by the Secured Party into a special cash collateral account (the "Cash Collateral Account") maintained at Secured Party in the name of and under the sole control and dominion of the Secured

Party, for so long as, but only so long as, the Security Agreement shall be in full force and effect.

(c) Except as otherwise provided in paragraph (d) of this Section 5.02, amounts on deposit in the Cash Collateral Account shall be applied to reduce the outstanding principal amount of the Secured Loan upon the first Interest Payment Date occurring after the receipt thereof, provided that such prepayment shall not be required until amounts on deposit in the Cash Collateral Account equal at least \$100,000.

(d) Upon the occurrence and during the continuance of any Event of Default or Default, all Casualty Loss Proceeds and all other amounts standing to the credit of the Cash Collateral Account shall be paid to the Secured Party and applied by the Secured Party as specified in Section 6.03.

Section 6. SECURED PARTY'S RIGHTS

6.01 Secured Party's Rights. The Debtor agrees that when any Event of Default has occurred and is continuing, the Secured Party shall have the rights, options and remedies of a secured party, and the Debtor shall have the rights and duties of a debtor, under the ITA, the Canada Transportation Act and the UCC (regardless of whether such UCC or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) as applicable, and the Secured Party shall have the following rights and remedies:

(a) The Secured Party shall have all the rights of a secured party under the ITA, the Canada Transportation Act and the UCC to enforce the security interests contained herein.

(b) The Secured Party personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Debtor, with or without notice, demand, process of law or legal procedure, if this can be done without breach of the peace, and search for, take possession of, remove, keep and store the Collateral, or use and operate or lease the Collateral until sold, and the Debtor shall deliver, or cause to be delivered, possession of the Equipment to the Secured Party or its agents where the same may be found or at such place or places as the Secured Party may reasonably require. In the event an Event of Default has occurred and is continuing, the Debtor shall provide to the Secured Party all relevant information that the Secured Party may request regarding all leases reflected in the same document as any Equipment Lease and all other lenders, and if requested by all lenders with a security interest in any Equipment Lease, deliver such Equipment Leases to a trustee designated by the Secured Party and all the other lenders.

(c) Any Collateral repossessed by the Secured Party under or pursuant to this Section 6.01 may be sold, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Secured Party may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Secured Party or after any overhaul or repair which the Secured Party shall determine to be commercially reasonable. Any such disposition which shall be a private sale or other private proceedings permitted by such requirements shall be made upon not less than 10 days' written notice to Debtor specifying the times at which such disposition is to be made and the intended sale price or other consideration therefor. Any such disposition which shall be a public sale permitted by such requirements shall be made upon not less than 10 days' written notice to Debtor specifying the time and place of such sale and, in the absence of applicable requirements of law, shall be by public auction after publication of notice of such auction not less than 10 days prior thereto in two newspapers in general circulation in the City of New York. To the extent permitted by any such requirement of law, the Secured Party may itself bid for and become the purchaser of the Collateral or any item thereof, offered for sale in accordance with this Section without accountability to Debtor (except to the extent of surplus money received as provided in Section 6.03). In the payment of the purchase price therefor, the Secured Party shall be entitled to have credit on account of the purchase price thereof of amounts owing to the Secured Party on account of the indebtedness hereby secured and the Secured Party may deliver the claims for interest on or principal of the Secured Loan or other indebtedness hereby secured in lieu of cash up to the amount which would, upon distribution of the net proceeds of such sale, be payable thereon. If, under mandatory requirements of applicable law, the Secured Party shall be required to make disposition of the Collateral within a period of time which does not permit the giving of notice to Debtor as hereinabove specified, the Secured Party need give Debtor only such notice of disposition as shall be reasonably practicable in view of such mandatory requirements of applicable law.

(d) The Secured Party may proceed to protect and enforce this Security Agreement by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted, or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof, for the recovery of judgment for the indebtedness hereby secured or for the enforcement of any other legal or equitable remedy available under applicable law.

(e) The Secured Party may date any or all of the Notices of Assignment and deliver the same to the applicable Equipment Lessee.

6.02 Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and

demand whatsoever, either at law or in equity, of the Debtor in and to the property sold and shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all persons claiming the property sold, or any part thereof under, by or through the Debtor, its successors or assigns.

6.03 Application of Sale Proceeds. The proceeds of any sale of the Collateral, or any part thereof, and the proceeds of any remedy hereunder shall be paid to and applied as follows:

(a) First, to the payment of all costs and expenses including those of foreclosure or suit, if any, and of such sale, and of all proper expenses, liability and advances, including legal expenses and reasonable attorneys' fees, incurred or made hereunder, under the Note, or under the Loan Agreement or the other Loan Documents, by the Secured Party;

(b) Second, to the payment of the amounts then owing or unpaid in respect of the Note and any other amounts owed to the Secured Party in accordance with the provisions of the Loan Documents; and

(c) Third, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whosoever may be lawfully entitled to receive the same.

6.04 Discontinuance of Remedies. In case the Secured Party shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then, and in every such case, the Debtor and the Secured Party shall be restored to their former respective positions and rights hereunder with respect to the property subject to the security interest created under this Security Agreement.

6.05 Cumulative Remedies. No delay or omission of the Secured Party to exercise any right or power arising from any default on the part of the Debtor, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Secured Party of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting there from except as may be otherwise provided herein. The Secured Party may exercise any one or more or all of the remedies hereunder and no remedy is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing now or hereafter at law or in equity; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured under this Security Agreement operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Secured Party be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

6.06 Indemnity. The Debtor agrees to indemnify, protect and hold harmless the Secured Party, and its assigns, directors, officers, employees, agents or representatives (each an "Indemnified Party") from and against all losses, damages, injuries, liabilities, claims, suits, obligations, penalties, actions, judgments, costs, interest and demands of any kind or nature whatsoever (all the foregoing losses, damages etc. are the "indemnified liabilities"), and expenses in connection therewith (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnified Party in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnified Party shall be designated a party thereto, and the expenses of investigation by engineers, environmental consultants and similar technical personnel) arising out of, in connection with, or as the result of any claim (i) for personal injury or property damage or relating to any laws, rules or regulations, including, without limitation, environmental control, noise and pollution laws, rules or regulations arising from the operation, use, condition, possession, storage or repossession of any of the Collateral, or (ii) arising out of the execution, delivery or performance of this Security Agreement, the Loan Agreement, the Note, and the other Loan Documents, the enforcement of any rights thereunder, the retention by the Secured Party of a security interest in the Collateral, or arising during the period of any delivery, rejection, storage or repossession of any of the Equipment while a security interest therein remains in the Secured Party or during the period of the transfer of such security interest in the Collateral by the Secured Party pursuant to any of the provisions of this Security Agreement; provided, however, that the Debtor shall have no obligation to so indemnify any Indemnified Party for any indemnified liabilities arising solely from its willful misconduct or gross negligence. The foregoing indemnity shall survive the termination of this Security Agreement, the Loan Agreement and the other Loan Documents and payment in full of the Obligations.

6.07 Costs and Expenses. Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by the Secured Party, in connection with the preparation of this Security Agreement or any amendments or supplements hereto and all other documents relating hereto or to any such amendment or supplement and the consummation of this transaction, the filing or recording of financing statements and other documents (including all taxes in connection with the filing and recording of such documents) in public offices, the payment or discharge of any taxes relating to the Collateral or imposed upon the Debtor, insurance premiums, encumbrances or otherwise protecting, maintaining or preserving the Collateral, or the enforcing, foreclosing, retaking, holding, storing, processing, selling or otherwise realizing upon the Collateral and the Secured Party's security interest therein, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions or proceedings arising out of or related to the transaction to which this Security Agreement relates, shall be borne and paid by the Debtor on demand by the Secured Party and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the Default Rate prescribed in the Loan Agreement.

Section 7. MISCELLANEOUS

7.01 Successors and Assigns. Whenever either of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Security Agreement contained by or on behalf of the Debtor or by or on behalf of the Secured Party shall bind and inure to the benefit of their respective successors and assigns of such parties whether so expressed or not.

7.02 Entire Agreement. This Security Agreement, together with the Loan Agreement, the other Loan Documents, the Schedule and other agreements referred to herein, constitute the entire understanding between the parties with respect to the subject matter hereof. All prior agreements, understandings, representations, warranties and negotiations, if any, are merged into this Security Agreement, and this Security Agreement is the entire agreement between the Debtor and the Secured Party relating to the subject matter hereto. This Security Agreement cannot be changed or terminated orally.

7.03 Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

7.04 Notices. All notices and communications provided for herein shall be given to such parties, at such addresses and in such manner as is provided in the Loan Agreement.

7.05 Termination. This Security Agreement and the security interest granted hereby shall terminate when the Obligations have been fully paid or discharged, at which time the Secured Party shall, at the Debtor's expense, execute and deliver to the Debtor at its expense all Uniform Commercial Code termination statements and such similar documents or proper instrument or instruments which the Debtor shall reasonably request to evidence such termination and the release of Collateral including releases in recordable form under the ITA and the Canada Transportation Act. Upon the release of this Security Agreement, all amounts in the Cash Collateral Account shall be returned to the Debtor.

7.06 GOVERNING LAW. THIS SECURITY AGREEMENT SHALL BE DEEMED TO HAVE BEEN MADE UNDER, CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK; PROVIDED, HOWEVER, THAT THE PARTIES SHALL BE ENTITLED TO ALL RIGHTS CONFERRED BY 49 U.S.C. SECTION 11303 AND SUCH ADDITIONAL RIGHTS, ARISING OUT OF THE FILING, RECORDING OR DEPOSIT HEREOF, IF ANY.

7.07 Submission to Jurisdiction. (a) The Debtor hereby irrevocably submits to the nonexclusive jurisdiction of the Supreme Court of the State of New York, New York

County, and to the jurisdiction of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Security Agreement or the subject matter hereof brought by any party or its successors or assigns, and each of the undersigned hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by law, in such Federal court, and each of the undersigned hereby agrees not to assert, by way of motions as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of the above-named courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Security Agreement or the subject matter hereof may not be enforced in or by such courts. The Debtor hereby waives personal service of process and consents that service of process upon it may be made by certified or registered mail, return receipt requested, at its address specified or determined in accordance with the provisions of Section 7.04, and service so made shall be deemed completed on the third Business Day after such service is deposited in the mail. Should Debtor, after being so served, fail to appear or answer any summons, complaint, process or paper so served within 30 days after the mailing thereof, Debtor acknowledges that as a result thereof, an order and/or judgment may be entered by Secured Party against Debtor as demanded or pleaded for in such summons, complaint, process or papers.

(b) Nothing in this Section 7.07 shall affect the right of the Secured Party to serve legal process in any other manner permitted by law or affect the right of the Secured Party to bring any action or proceeding against the Debtor or its property in the courts of any other jurisdictions.

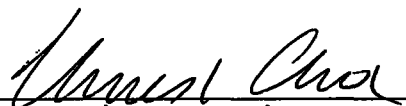
7.08 Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together constituting only one Security Agreement.

7.09 Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

7.10 WAIVER OF JURY TRIAL AND CONSEQUENTIAL DAMAGES. THE DEBTOR HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT AND THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY AND TO THE FULLEST EXTENT PERMITTED BY LAW WAIVES ANY RIGHTS THAT IT MAY HAVE TO CLAIM OR RECEIVE CONSEQUENTIAL OR SPECIAL DAMAGES IN CONNECTION WITH ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT AND THE LOAN DOCUMENTS AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the day and year first above written.

ACF INDUSTRIES, INCORPORATED,
as Debtor

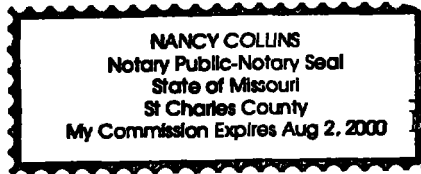
By: 
Name: Umesh Choksi
Title: Treasurer

THE INDUSTRIAL BANK OF JAPAN,
LIMITED, NEW YORK BRANCH, as
Secured Party

By: _____
Name: _____
Title: _____

STATE OF MISSOURI)
) ss.:
COUNTY OF ST. CHARLES)

On this 23rd day of December, 1999, before me, personally appeared Umesh Choksi to me personally known, who being by me duly sworn, says that he resides at St. Louis, MO and is Treasurer of ACF Industries, Incorporated, that said instrument was signed on the date hereof on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



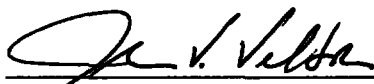
Nancy Collins
Notary Public

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the day and year first above written.

ACF INDUSTRIES, INCORPORATED,
as Debtor

By: _____
Name:
Title:

THE INDUSTRIAL BANK OF JAPAN,
LIMITED, NEW YORK BRANCH, as
Secured Party

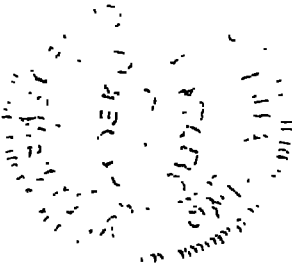
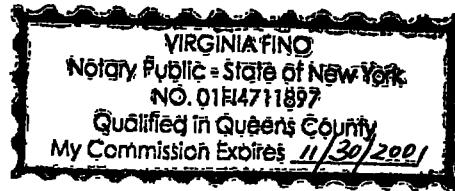
By: 
Name:
Title:

JOHN V. VELTRI
JOINT GENERAL MANAGER

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 23 day of December, 1999, before me, personally appeared John V. VELTRI to me personally known, who being by me duly sworn, says that he resides at NEW YORK, NY and is JOINT GEN. MGR. of THE INDUSTRIAL BANK OF JAPAN, LIMITED, NEW YORK BRANCH, and that said instrument was signed on the date hereof on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Virginia Fano
Notary:



12/23/99 11:20 AM

Rptg Mark	Car Number	AAR Desg	Rptg Mark	Car Number	AAR Desg	Rptg Mark	Car Number	AAR Desg
SHPX	202143	T105	SHPX	202218	T105	SHPX	202268	T105
SHPX	202145	T105	SHPX	202219	T105	SHPX	202269	T105
SHPX	202152	T105	SHPX	202220	T105	SHPX	202271	T105
SHPX	202164	T105	SHPX	202221	T105	SHPX	202272	T105
SHPX	202170	T105	SHPX	202222	T105	SHPX	202273	T105
SHPX	202171	T105	SHPX	202223	T105	SHPX	202274	T105
SHPX	202173	T105	SHPX	202224	T105	SHPX	202275	T105
SHPX	202174	T105	SHPX	202225	T105	SHPX	202276	T105
SHPX	202175	T105	SHPX	202226	T105	SHPX	202277	T105
SHPX	202176	T105	SHPX	202227	T105	SHPX	202278	T105
SHPX	202177	T105	SHPX	202228	T105	SHPX	202279	T105
SHPX	202178	T105	SHPX	202229	T105	SHPX	202280	T105
SHPX	202179	T105	SHPX	202230	T105	SHPX	202281	T105
SHPX	202180	T105	SHPX	202231	T105	SHPX	202282	T105
SHPX	202181	T105	SHPX	202232	T105	SHPX	202283	T105
SHPX	202183	T105	SHPX	202233	T105	SHPX	202284	T105
SHPX	202184	T105	SHPX	202234	T105	SHPX	202285	T105
SHPX	202185	T105	SHPX	202235	T105	SHPX	202286	T105
SHPX	202186	T105	SHPX	202236	T105	SHPX	202287	T105
SHPX	202187	T105	SHPX	202237	T105	SHPX	202288	T105
SHPX	202188	T105	SHPX	202238	T105	SHPX	202289	T105
SHPX	202189	T105	SHPX	202239	T105	SHPX	202290	T105
SHPX	202190	T105	SHPX	202240	T105	SHPX	202291	T105
SHPX	202191	T105	SHPX	202241	T105	SHPX	202292	T105
SHPX	202192	T105	SHPX	202242	T105	SHPX	202293	T105
SHPX	202193	T105	SHPX	202243	T105	SHPX	202294	T105
SHPX	202194	T105	SHPX	202244	T105	SHPX	202295	T105
SHPX	202195	T105	SHPX	202245	T105	SHPX	202296	T105
SHPX	202196	T105	SHPX	202246	T105	SHPX	202297	T105
SHPX	202197	T105	SHPX	202247	T105	SHPX	202298	T105
SHPX	202198	T105	SHPX	202248	T105	SHPX	202299	T105
SHPX	202199	T105	SHPX	202249	T105	SHPX	202300	T105
SHPX	202200	T105	SHPX	202250	T105	SHPX	202301	T105
SHPX	202201	T105	SHPX	202251	T105	SHPX	202302	T105
SHPX	202202	T105	SHPX	202252	T105	SHPX	202303	T105
SHPX	202203	T105	SHPX	202253	T105	SHPX	202304	T105
SHPX	202204	T105	SHPX	202254	T105	SHPX	202305	T105
SHPX	202205	T105	SHPX	202255	T105	SHPX	202306	T105
SHPX	202206	T105	SHPX	202256	T105	SHPX	202307	T105
SHPX	202207	T105	SHPX	202257	T105	SHPX	202308	T105
SHPX	202208	T105	SHPX	202258	T105	SHPX	202309	T105
SHPX	202209	T105	SHPX	202259	T105	SHPX	202310	T105
SHPX	202210	T105	SHPX	202260	T105	SHPX	202311	T105
SHPX	202211	T105	SHPX	202261	T105	SHPX	202313	T105
SHPX	202212	T105	SHPX	202262	T105	SHPX	202314	T105
SHPX	202213	T105	SHPX	202263	T105	SHPX	202315	T105
SHPX	202214	T105	SHPX	202264	T105	SHPX	202318	T105
SHPX	202215	T105	SHPX	202265	T105	SHPX	202319	T105
SHPX	202216	T105	SHPX	202266	T105	SHPX	202322	T105
SHPX	202217	T105	SHPX	202267	T105	SHPX	202323	T105

Rptg Mark	Car Number	AAR Desg	Rptg Mark	Car Number	AAR Desg	Rptg Mark	Car Number	AAR Desg
SHPX	202324	T105	SHPX	454204	C214			
SHPX	202325	T105	SHPX	454205	C214			
SHPX	202326	T105	SHPX	454206	C214			
SHPX	202329	T105	SHPX	454207	C214			
SHPX	202419	T108	SHPX	454210	C214			
SHPX	202421	T108	SHPX	454215	C214			
SHPX	202436	T108	SHPX	454216	C714			
SHPX	202442	T108	SHPX	454217	C714			
SHPX	202445	T108	SHPX	454218	C714			
SHPX	202448	T108	SHPX	454219	C714			
SHPX	202451	T108	SHPX	454220	C714			
SHPX	202453	T108	SHPX	454221	C714			
SHPX	202454	T108	SHPX	454222	C714			
SHPX	202455	T108	SHPX	454223	C714			
SHPX	202456	T108	SHPX	454224	C714			
SHPX	202457	T108	SHPX	454225	C714			
SHPX	202459	T108	SHPX	454226	C714			
SHPX	202460	T108	SHPX	454227	C714			
SHPX	202461	T108	SHPX	454228	C714			
SHPX	202462	T108	SHPX	454229	C714			
SHPX	202463	T108	SHPX	454230	C714			
SHPX	202466	T108	SHPX	454231	C714			
SHPX	202467	T108	SHPX	454232	C714			
SHPX	202468	T108	SHPX	454233	C714			
SHPX	202550	T104	SHPX	454234	C714			
SHPX	202551	T104	SHPX	454235	C714			
SHPX	202552	T104	SHPX	454236	C714			
SHPX	202553	T104	SHPX	454237	C714			
SHPX	220747	T375	SHPX	454238	C714			
SHPX	220748	T375	SHPX	454239	C714			
SHPX	220749	T375	SHPX	454240	C714			
SHPX	220750	T375	SHPX	454241	C714			
SHPX	220751	T375	SHPX	454242	C714			
SHPX	220752	T375	SHPX	454243	C714			
SHPX	220753	T375	SHPX	454244	C714			
SHPX	220754	T375	SHPX	454245	C714			
SHPX	220755	T375	SHPX	454246	C714			
SHPX	220756	T375	SHPX	454247	C714			
SHPX	220770	T904	SHPX	454248	C714			
SHPX	220771	T904	SHPX	454249	C714			
SHPX	220772	T904	SHPX	454250	C714			
SHPX	220773	T904	SHPX	454251	C714			
SHPX	220774	T904	SHPX	454252	C714			
SHPX	220775	T904	SHPX	454253	C714			
SHPX	220776	T904	SHPX	454254	C714			
SHPX	454196	C214	SHPX	454255	C714			
SHPX	454198	C214						
SHPX	454199	C214						
SHPX	454200	C214						
SHPX	454201	C214						
				246	Cars			